Marilyn Moon, Ph.D.
CHAIR

STATE OF MARYLAND

Rex W. Cowdry, M.D.
EXECUTIVE DIRECTOR

MARYLAND HEALTH CARE COMMISSION
4160 PATTERSON AVENUE – BALTIMORE, MARYLAND 21215
TELEPHONE: 410-764-3460 FAX: 410-358-1236

MARYLAND HEALTH CARE COMMISSION

Thursday, July 16, 2009

Minutes

Vice Chair Falcone called the public meeting to order at 1:10 p.m.

Commissioners present: Conway, Falcone, Fleig, Jefferson, Krumm, Lyles, McLean, Moore, Olsen, Ontaneda-Bernales, Petty, and Worthington.

ITEM 1.

Approval of the Minutes

Commissioner Krumm made a motion to approve the minutes of the June 18, 2009 meeting of the Commission, which was seconded by Commissioner Moore, and unanimously approved.

ITEM 2.

Update of Activities

Pam Barclay, Director, Center for Hospital Services, provided an update on licensed acute beds for fiscal year 2010. Ms. Barclay said that an annual report that profiling changes in licensed acute care hospital beds in Maryland's 47 acute care hospitals was initiated in 2001 to document and track changes in the licensed bed inventory following implementation of a standardized annual licensure renewal process based on inpatient census. She noted that the Commission received updated information on licensed acute care hospital beds for FY 2010, and that these changes in licensed bed capacity became effective July 1, 2009. Ms. Barclay said the full report will be available later this summer.

ITEM 3.

ACTION: COMAR 31.11.06 – Comprehensive Standard Health Benefit Plan – Action on Proposed and Emergency Regulations

Janet Ennis, Chief, Small Group Market, presented emergency and proposed permanent regulations governing the Comprehensive Standard Health Benefit Plan. Ms. Ennis said the change is necessary as a result of the enactment of SB 637, which will allow certain carriers (HMOs excluded) that participate in Maryland's small group market to impose pre-existing condition limitations on individuals entering this

market effective October 1, 2009. Ms. Ennis noted that the draft regulations were posted for informal comment on the Commissions website, as well as sent out to a large group of interested parties, but no comments were received. Commissioner Lyles made a motion to adopt the proposed permanent and emergency regulations, which was seconded by Commissioner Worthington, and unanimously approved.

ACTION: COMAR 31.11.06 – Comprehensive Standard Health Benefit Plan – Action on Proposed Permanent and Emergency Regulations – ADOPTED as emergency and proposed regulations.

ITEM 4.

ACTION: Staff Recommendations on Multi-stakeholder Group to Implement a Statewide Health Information Exchange

Commissioner Moore served as Chair for agenda item 4. David Sharp, Center Director for Health Information Technology, presented the staff recommendation for a multi-stakeholder group to implement a statewide health information exchange. Staff received four responses to its Request for Application (RFA) that was released in April to identify a multi-stakeholder group to implement a statewide health information exchange. Responses were received from the Chesapeake Regional Information System for our Patients (CRISP), Deloitte, The Free State Joint Venture and MEDNET. Staff reported the evaluation committee determined that CRISP and Deloitte met the completeness requirements contained in the RFA. A high level overview of these two responses was provided. Staff recommended that the Commission recommend to the Health Services Cost Review Commission that it fund CRISP for developing a statewide health information exchange through an adjustment of up to $10 million through the hospital all-payor rate setting system. Following discussion, Commissioner Lyles made a motion to accept the staff recommendation, which was seconded by Commissioner Jefferson and unanimously approved. Commissioner Falcone, Krumm, and Ontenada-Bernales recused themselves from this action item.

ACTION: Staff Recommendations on Multi-stakeholder Group to Implement a Statewide Health Information Exchange is hereby APPROVED.

ITEM 5.

ACTION: COMAR 10.24.17 – State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention (PCI) Services – Update of Door-To-Balloon Time Requirement – Action on Final Regulations

Dolores Sands, Chief Specialized Services Policy and Planning, presented regulations for final action that will bring the existing regulation of primary percutaneous coronary intervention services into compliance with the current door-to-balloon guidelines of the American College of Cardiology and the American Heart Association. Ms. Sands noted that the Commission adopted the proposed amendment and notice of the proposed action was published in the Maryland Register on May 22, 2009. No written comments were received during the formal comment period. Staff recommended, the Commission take final action to adopt the proposed amendment to require, effective January 1, 2010, hospitals to provide primary PCI with a door-to-balloon time within 90 minutes for at least 75% of appropriate patients. Commissioner Ontaneda-Bernales made a motion to adopt the regulations as final, which was seconded by Commissioner Krumm and unanimously approved.

ACTION: COMAR 10.24.17 – State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention (PCI) Services – Update of Door-To-Balloon Time Requirement – Action on Final Regulations – ADOPTED as final regulations.

ITEM 6.

ACTION: Certificate of Need – Reviewer's Recommended Decision: Baltimore County Home Health Agency Review

Commissioner Kurt Olsen, who served as Reviewer of the applications to establish/expand home health agencies to serve Baltimore County residents, presented his recommended decision to the Commission.

Commissioner Olsen noted that he analyzed the compliance of the fifteen docketed applications with applicable provisions of COMAR 10.24.08, the State Health Plan for Facilities and Services: Nursing Home, Home Health Agency and Hospice Services, and with the Certificate of Need review criteria at COMAR 10.24.01.08G(3)(a)-(f). Applications were received from the following: Allied Alternatives Healthcare; American Health Care Staffing, Inc.; Better Care Home Health; Carroll Home Care; Celtic Healthcare, Inc.; Fem Nursing Services; Human Touch Home Health, Inc.; Maryland Home Health, L.L.C.; Mid America Home Health of Maryland, L.L.C., Miss Health Care Agency; Nurses On Demand, Inc.; Nursing Health Services Training Consultants, Inc.; Premier Health Services; Prime Home Health Care; and Speqtrum, Inc. Commissioner Olsen said that he considered the applications of the parties, comments on applications, additional information, and the record in this review. He recommended that the following applications to establish/expand home health agencies in Baltimore County be approved: Carroll Home Care; Celtic Healthcare, Inc.; and Maryland Home Health, L.L.C. He recommended denial of the remaining applications. Mr. Olsen also noted that none of the applicants nor the joint interested party filed exceptions to the Recommended Decision by the July 2, 2009 deadline; therefore, an exceptions hearing was not necessary. Commissioner Petty made a motion to approve the Reviewer's recommendation, which was seconded by Commission Jefferson and unanimously approved. Commissioner's Krumm and Onteneda –Bernales recused themselves from this action item.

ACTION: Certificate of Need – Reviewer's Recommended Decision: Baltimore County Home Health Agencies Review is hereby ADOPTED and Certificates of Need are AWARDED to Carroll Home Care, Celtic Healthcare, Inc., and Maryland Home Health, L.L.C. to expand or establish Home Health Agencies to serve Baltimore County Residents.

ITEM 7.

PRESENTATION: **Spotlight on Consumer Directed Health Plans**

Linda Bartnyska, Chief, Cost and Quality Analysis, briefed the Commission on Maryland's utilization and spending in consumer-directed health plans (CDHP). Ms. Bartnyska said the Spotlight examines enrollment and spending patterns in consumer-directed health plans, as well as in traditional products in Maryland's small group market. She said CDHPs are insurance products with a high deductible and are often coupled with a savings account. Proponents like CDHPs for having a lower, more affordable premium and believe that the high deductible encourages individuals to be more cost-conscious in their health care use because they bear the full upfront cost of their choice to use care and that the relatively low out-of-pocket maximums shield enrollees from catastrophic spending. She said that these plans have grown rapidly both at the national level and in Maryland. Ms. Bartnyska said staff focused on the small group market where CDHPs are relatively widely offered because the Commission has a responsibility to

manage the comprehensive standard health benefit plan (CSHBP), the small group market is more vulnerable, and the data are more plentiful. She discussed the comparison of nonelderly enrollees and risk status of enrollees in the CSHBP by CDHP versus non-CDHP at the end of 2007. She also discussed the ratio of CDHP to non-CDHP spending for users only, by risk status and financial responsibility. Ms. Bartnyska noted that even though the impact on access, cost, and quality is still uncertain, it is likely that enrollment in CDHPs will continue to grow.

ITEM 8.

PRESENTATION: Use of Practitioner Services by the Nonelderly, Privately Insurance in Maryland

Ben Steffen, Center Director for Information Systems and Analysis, present the findings of the report on the Use of Practitioner Services by the Privately Insured Nonelderly in Maryland. Mr. Steffen said the report is required under the Commission's statute and is to be reported annually. He provided an overview of the 2007 practitioner services in Maryland and the decomposition of spending on practitioner services including, volume, intensity, and price. Mr. Steffen outlined the following conclusions:

- Growth in per user payment was driven by a 3% increase in resource use per user (marginal intensity+ volume increase). Price per RVU was up slightly (1%). Relative stability in the provider view;
- Spending per user increased most rapidly in small group (7%), large private employer plans (5%), followed by public employees (2%); individual and CHDP had the lowest growth rate (1%).
- The distribution of individuals with higher risk varies with coverage type. Individuals insured by:
  - Large private employers have the high per user spending by risk category, but are have a distribution of users weighted toward low user. Average spending was highest.
  - The individual market has the high spending in 2 of 3 risk categories, but 43% of users are low-risk, making the average per user spending relatively low; and
- Lower per user spending but higher resource among users insured by large payers:
  - Large payers have users with a slightly higher risk status, but pay lower prices.
  - Large payers are dominant among large private & public employers; price matters to employers, who use competitive bidding.

Mr. Steffen informed the Commission that a draft of the full report will be sent to the Commission for review prior to its release in August.

ITEM 9.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:00 p.m., upon motion of Commissioner Petty, which was seconded by Commissioner Jefferson, and unanimously approved.